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***EX PARTE MEMORANDUM***

February 23, 2010

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 – 12<sup>th</sup> Street, SW, Room TW-A325  
Washington, DC 20554

Re: International Comparison and Consumer Survey Requirements in the  
Broadband Data Improvement Act, GN Docket No. 09-47;  
A National Broadband Plan for our Future, GN Docket No. 09-51;  
Deployment of Advanced Telecommunications Capability  
to All Americans in a Reasonable and Timely Fashion, GN Docket No. 09-137;  
Universal Service Contribution Methodology, WC Docket No. 06-122

Representatives of the Association of TeleServices International, Inc. (ATSI) met with Angela Kronenberg, Legal Advisor to Commissioner Clyburn, and Christi Shewman, Legal Advisor to Commissioner Baker, on February 22, 2010; and on February 23, 2010 with Christine Kurth, Legal Advisor to Commissioner McDowell and Jennifer Schneider, Legal Advisor to Commissioner Copps, concerning reform of the contribution methodology for funding the Universal Service Fund (USF) as it relates to the National Broadband Plan under development by the Commission. The ATSI representatives included Larry Goldenberg, President; Dennis O'Hara, Immediate Past President; Brian Gilmore, Chairman of the Government Relations Committee; Dave Wenhold, Legislative Counsel; and the undersigned as Special Counsel.

ATSI first summarized information concerning the industry represented by ATSI set forth in its Comments in response to the Request For Comments in response to NBP Notice #19 filed on December 7, 2009 (the "Comments"), and in prior comments and ex parte memoranda in WC Docket No. 06-122. The ATSI representatives then reviewed their concerns, as also stated in their Comments, about the proposals advanced by carrier interests to convert USF contributions to a numbers-based system, and outlined the substantial adverse impact such a contribution methodology, if applied on a uniform, per-number basis, would have on the industry represented by ATSI.

The ATSI representatives noted that ATSI members use a disproportionate amount of telephone numbers because significant blocks of Direct Inward Dial (DID) numbers are employed in their businesses for call identification and routing purposes. The ATSI representatives also noted that the average ATSI member has approximately 2,000 DID numbers assigned to it by Local Exchange Carriers (LECs) generating less than three minutes of network use each per day; and that the current indirect USF contribution by ATSI members translates to less than ten cents per DID

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number per month. Under a "Numbers" contribution methodology, the USF contribution for the industry represented by ATSI would dramatically increase, and would approach 10% of a member's entire gross revenue (approximately \$550,000 per year, of which approximately 50-70% is paid for direct employee costs).

ATSI then reviewed four basic principles that the Commission should employ to test the adequacy of any alternative contribution methodology:

1. The new methodology should not result in significant increases for end users.
2. The new methodology should not result in redistributing USF contribution obligations among different classes of end users.
3. If broadband services and facilities are supported by USF, providers of broadband access should contribute to USF.
4. The new methodology should recognize the relative value of different network uses to the end user.

ATSI stated that its preference would be to retain the current method of assessing contributions based on a percentage of revenues, but that its second choice would be a properly structured methodology based upon connections to the network.

Attached are copies of the handouts provided to the Commission officials during the meetings.

Respectfully submitted,

s/Kenneth E. Hardman

Enclosures

cc: Angela Kronenberg, Esq.  
Christi Shewman, Esq.  
Christine Kurth, Esq.  
Jennifer Schneider, Esq.

ASSOCIATION OF TELESERVICES INTERNATIONAL  
GN Docket Nos. 09-47, 09-51, 09-137; WC Docket No. 06-122  
February 22/23, 2010

- \* Current ATSI member (indirect) USF contributions translate into less than \$0.10 per number per month for the 2,000 numbers used by the average member; and imposing a flat, per number charge for USF contributions could, unless properly structured, impose substantial, onerous operating cost increases on ATSI members
- \* DID numbers used by ATSI members are not like “ordinary” telephone numbers for USF contribution purposes because they typically generate less than three minutes of use per day and characteristically are used for internal network signaling or call distribution purposes
- \* The assumption that telephone numbers provide a more stable basis for USF contributions is questionable, since assessing contributions on a per number basis will result in “nonessential” number usage being curtailed and likely will increase the per number USF revenue requirement, perhaps dramatically
- \* The Commission should employ four basic principles to test the adequacy of any alternative contribution methodology:
  1. The new methodology should not result in significant increases for end users.
  2. The new methodology should not result in redistributing USF contribution obligations among different classes of end users.
  3. If broadband services and facilities are supported by USF, providers of broadband access should contribute to USF.
  4. The new methodology should recognize the relative value of different network uses to the end user.

The United States at Night  
as seen from space



Image by the NOAA's National Geophysical Data Center, Defense Meteorological Satellite Program

***In the dark silence of the night...***



2,746 Private Sector Critical Response  
Centers (PSCRC) answer America's critical calls  
around the clock.

**...there are a few lights forever burning ...**

**...a few voices never stilled.**



AMERICA’S PRIVATE SECTOR  
CRITICAL RESPONSE CENTERS

*In the dark silence of the night, there are a few lights forever  
burning – a few voices never stilled.*

*Those lights are your community’s Private Sector Critical  
Response Centers. The voices are those of 40,000 skilled agents.*

*For nearly 100 years, PSCRC agents have faithfully answered  
America’s critical calls around the clock, every day and night. Their  
caring voices bring a feeling of security, whatever the need or the  
hour.*

9-1-1 centers are well understood by the public to be government  
entities handling calls from the public for first responders – fire,  
police and ambulance.

Yet when trouble strikes, 9-1-1 is not the only telephone number  
Americans dial for assistance. Citizens understand less about how  
other types of emergency calls are handled – and by whom.

Many of the critical elements of America’s vital infrastructure –  
government, not-for-profit, professional, healthcare and commercial  
entities – contract with America’s Private Sector Critical Response  
Centers (PSCRC) to handle emergency calls.

PSCRCs are local businesses, and most have less than 25 employees. Many  
are woman-owned small businesses, often owned by the same family for  
multiple generations. Some are operated by not-for-profit organizations  
such as medical societies and charity hospitals.

The business requires an extremely high level of technical knowledge and  
competence, especially in the operations and functionality of the Public

Switched Telephone Network (PSTN) and the Internet. Today’s PSCRC  
physical plant is impressive in its disaster readiness and notable for  
the extensive technology required to interface both voice and data  
communications with hundreds of subscribers.

Owners and senior managers are experts at analyzing, planning and  
implementing routine, critical and emergency communications protocols.

PSCRC agents undergo extensive screening to gain entry-level positions  
and must complete intensive training in technical and soft skills, followed  
by routine evaluations – typically on a bi-weekly basis.

As they handle emergency calls, agents evaluate each contact and execute  
sophisticated relay protocols that often vary as circumstances develop.  
Callers may be routed via the PSTN or Internet directly to client personnel  
or a contact record may be created for subsequent dispatch, escalation  
and broadcast.

The technology and public networks that carry calls and data between  
subscribers and PSCRC agents have changed dramatically since the early  
20th century. People haven’t. Private Sector Critical Response Centers remain  
critical to callers in distress.

PSCRC agents provide essential services for 21st century Americans.

- . **2,746** PSCRCs across the 50 United States
- . **44,711** U.S. citizen employees
- . **3.6** billion call transactions handled annually
- . **1.4** million government, not-for-profit, professional, healthcare  
and commercial subscribers
- . **\$552,170** – average annual gross revenues per business
- . **45** percent of average gross revenues goes to direct payroll  
expenses
- . **\$1.5** billion annual gross revenues – industry-wide

TYPICAL PSCRC SUBSCRIBERS

Commercial Continuity

Banks  
Fuel Delivery Services (emergency generators)

Communications

Cable (MSO) Service Providers  
Internet Service Providers  
Telephone Carriers  
Wireless Messaging Carriers  
Wireless Telephone Carriers

Disaster Relief / Crisis Assistance

Rape Crisis Centers  
Red Cross  
Search & Rescue Leagues  
Suicide Hotlines

Environmental Services

Environmental Agencies  
Environmental Contamination & Cleanup Services  
Hazardous Material Response Services  
HazMat Decontamination Teams

Federal and State Government

Federal Reserve Bank Branches  
Homeland Security Regional Offices  
Immigration and Customs Enforcement  
Field Offices  
OSHA Field Offices  
State Regulatory Commissions

Foreign Government

Consulates  
Embassies

Industrial Operations

Chemical Plants  
Gas Distribution Companies  
Petrochemical Plants  
Pipeline Operations

Healthcare

Ambulance Services (private sector)  
Blood Centers  
Burn Centers  
Clinics  
Funeral Homes, Crematoriums  
Home Health Services  
Hospices  
Hospitals — General, Specialty, Pediatric  
Infusion Therapists  
Oxygen Supply Delivery  
Public Health Clinics  
Physicians  
Surgeons  
Trauma Centers & Emergency Rooms

Miscellaneous Services

Animal Control Services  
ASPCA  
Veterinary Services

Public Safety

9-1-1 Public Safety Answering Points  
Alcohol, Tobacco & Firearms Field Offices  
Emergency Auto Removal (mass evacuations)  
Emergency Operations Centers (local and state)  
Federal Bureau of Investigation Field Offices  
Law Enforcement (county, state, highway)  
Police (local)  
Sheriff and Constable Offices  
Volunteer Fire Departments

Public Utilities

Electrical Power Utilities  
Heating Oil Delivery  
Natural Gas Utilities  
Propane/Butane Delivery  
Water Companies

Transportation

Airfreight  
Airport Operations  
Flight Base Operations Units  
Marine Freight & Shipping  
Rail Freight  
Rail Operations Centers  
Regional Traffic Control Centers  
Sea Ports